

**AUTHORIZING THE SECRETARY OF THE INTERIOR TO SELL
RESERVED PHOSPHATE INTERESTS OF THE UNITED STATES IN
CERTAIN LANDS LOCATED IN THE STATE OF FLORIDA TO THE
RECORD OWNER OR OWNERS OF SUCH LANDS**

FEBRUARY 6, 1974.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

Mr. HALEY, from the Committee on Interior and Insular Affairs,
submitted the following

REPORT

[To accompany H.R. 1494]

The Committee on Interior and Insular Affairs, to whom was referred the bill (H.R. 1494) to authorize the Secretary of the Interior to sell reserved phosphate interests of the United States in certain lands located in the State of Florida to the record owner or owners of such lands, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Page 2, beginning on line 3, strike out all of sections 2 and 3 and insert in lieu thereof the following:

SEC. 2. The Secretary shall require the deposit of a sum of money which he deems sufficient to cover estimated administrative costs of this Act. If a conveyance is not made pursuant to this Act, and the administrative costs exceed the deposit, the Secretary shall bill the applicant for the outstanding amount, but if the amount of the deposit exceeds the actual administrative costs, the Secretary shall refund the excess.

SEC. 3. No conveyance shall be made unless application for conveyance is filed with the Secretary within six months of the date of approval of this Act and unless within the time specified by him payment is made to the Secretary of (1) administrative costs of the conveyance and (2) the fair market value of the interest to be conveyed. The amount of the payment required shall be the difference between the amount deposited and the full amount required to be paid under this section. If the amount deposited exceeds the full

amount to be paid, the applicant shall be given a credit or refund for the excess.

SEC. 4. The term "administrative costs" as used in this Act includes, but is not limited to, all costs of (1) conducting an exploratory program to determine the character of the phosphate deposits in the land, (2) evaluating the data obtained under the exploratory program to determine the fair market value of the mineral rights to be conveyed, and (3) preparing and issuing the instrument of conveyance.

SEC. 5. Moneys paid to the Secretary for administrative costs shall be paid to the agency which rendered the service, and deposited to the appropriation then current. Moneys paid for the minerals or mineral interests conveyed shall be deposited into the general fund of the Treasury as miscellaneous receipts.

PURPOSE

The purpose of H.R. 1494, introduced by Mr. Frey, is to authorize the Secretary of the Interior to convey reserved phosphate interests of the United States in certain lands located in the State of Florida to the record owner or owners of such lands.

EXPLANATION AND NEED

H.R. 1494 directs the Secretary of the Interior to convey all phosphate interests now owned by the United States in certain lands in Florida to the record owner or owners of that land. It directs the Secretary to require a deposit of money which he deems sufficient to cover the estimated administrative costs of the conveyance. If a conveyance is not made and the administrative costs exceed the deposit, the Secretary is directed to bill the applicant for the outstanding amount; however, if the costs are less than the deposit, the Secretary is directed to refund the excess.

An application for conveyance must be filed within 6 months of the date of approval of the bill. Payment of administrative costs and the fair market value of the interests to be conveyed must be made within the time specified by the Secretary. The money received for administrative costs shall be paid to the agency which rendered the service, and the money received for the mineral interests shall be paid into the general fund of the Treasury.

The subject land was patented on October 11, 1955, with a reservation to the United States of the phosphate interests therein. The Geological Survey has advised that the land is beyond the recognized limits of the Florida land-pebble phosphate field and that it does not contain any valuable phosphate deposits. The available information is adequate for classifying the land nonphosphate and a program of drilling and sample analysis will not be necessary in the event of the bill's passage.

The tract in question is located within the boundaries of the property of Walt Disney World Co. Although the tract in question will not be developed in phase I of the project, the existence of the mineral reservation may militate against intensive development of the land.

COMMITTEE AMENDMENTS

The committee amendments convert the bill to the form customarily used in this type of legislation.

Open public hearings were held on the bill on November 5, 1973, and no opposition to the bill was heard.

At the hearing the witness for the Department of the Interior testified that the Department would have no objection to passage of the bill, if amended to provide for the payment of the administrative costs, plus the fair market value of the mineral, if any. Those amendments were made by the committee.

COST

No additional Federal expenditures are involved in the enactment of H.R. 1494.

COMMITTEE RECOMMENDATIONS

The Committee on Interior and Insular Affairs recommends enactment of H.R. 1494. The bill was unanimously ordered reported by a voice vote.

DEPARTMENTAL REPORTS

The favorable report of the Department of the Interior follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., September 26, 1973.

HON. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request for the views of this Department on H.R. 1494, a bill to authorize the Secretary of the Interior to sell reserved phosphate interests of the United States in certain lands located in the State of Florida to the record owner or owners of such lands.

We would have no objection to the enactment of the bill if amended as suggested herein.

H.R. 1494 directs the Secretary of the Interior to convey all phosphate interests now owned by the United States in certain land in Florida to the record owner or owners of that land. In the event the Secretary determines the land is not prospectively valuable for phosphate, conveyance would be made upon payment of \$200 to reimburse the United States for the administrative costs. Otherwise, the phosphate interests would be sold for \$200 plus the fair market value of the phosphate interests as determined by the Secretary after taking into consideration such appraisals as he deems necessary. Proceeds from the sale would be covered into the Treasury as miscellaneous receipts.

The subject land was patented on October 11, 1955, with a reservation to the United States of the phosphate interests therein. The Geological Survey has advised that the land is beyond the recognized limits of the Florida land pebble phosphate field and that it does not

contain any valuable phosphate deposits. The available information is adequate for classifying the land nonphosphate and a program of drilling and sample analysis will not be necessary in the event the bill is enacted.

The sponsor of the bill has forwarded a letter to us from Walt Disney World Co., which indicates that the tract in question is located within the boundaries of the Disney property in Florida to be developed as Walt Disney World. Although the tract in question will not be developed in phase I of the project, the existence of the mineral reservation may militate against intensive development of the land.

It has been the policy of this Department to interpose no objection to private legislation to convey or release mineral interests reserved to the United States when the subject lands are not valuable for the minerals reserved or the reservation would interfere with or preclude more beneficial development of the land than mineral development. This case meets both the criteria and accordingly we have no objection to a release of the reservation.

However, although the bill provides for payment of fair market value of the phosphate interests, it does not adequately protect the public interest because it does not assure payment of administrative costs if they exceed \$200. Also, if after enactment the beneficiary of the bill decides that he does not want to acquire the interests, no provision is made for reimbursement for costs which may have been incurred by the United States in preparation of the release.

In reporting on other bills of this type, the Department has recommended standard language so that all beneficiaries will be treated alike and the public interest will be protected. For this reason we recommend that H.R. 1494 be amended by substituting the following language for sections 2 and 3 of the bill:

SEC. 2. The Secretary shall require the deposit of a sum of money which he deems sufficient to cover estimated administrative costs of this act. If a conveyance is not made pursuant to this act, and the administrative costs exceed the deposit, the Secretary shall bill the applicant for the outstanding amount, but if the amount of the deposit exceeds the actual administrative costs, the Secretary shall refund the excess.

SEC. 3. No conveyance shall be made unless application for conveyance is filed with the Secretary within 6 months of the date of approval of this act and unless within the time specified by him payment is made to the Secretary of: (1) Administrative costs of the conveyance; and (2) the fair market value of the interest to be conveyed. The amount of the payment required shall be the difference between the amount deposited and the full amount required to be paid under this section. If the amount deposited exceeds the full amount required to be paid, the applicant shall be given a credit or refund for the excess.

SEC. 4. The term "administrative costs" as used in this act, includes, but is not limited to, all costs of: (1) Conducting an exploratory program to determine the character of the phosphate deposits in the land; (2) evaluating the data obtained under the exploratory program to determine the fair market value of the mineral rights to be conveyed; and (3) preparing and issuing the instrument of conveyance.

SEC. 5. Moneys paid to the Secretary for administrative costs shall be paid to the agency which rendered the service, and deposited to the appropriation then current. Moneys paid for the minerals or mineral interests conveyed shall be deposited into the general fund of the Treasury as miscellaneous receipts.

As you and your committee are aware, this bill is one of many that is introduced in every Congress to convey reserved mineral interests. This method of authorizing these conveyances is both cumbersome and costly. Section 206 of the administration's proposed National Resource Lands Management Act of 1973 (H.R. 5441) would authorize the Secretary of the Interior to make these conveyances for fair market value in accordance with the conditions and criteria described above. We urge prompt enactment of H.R. 5441 to authorize this and other improved methods of managing the public lands or Federal interests in lands.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

STEPHEN A. WAKEFIELD,
Assistant Secretary of the Interior.

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